

OPNAV

Commercial Activities (A-76)

Preliminary Planning Guide

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Introduction

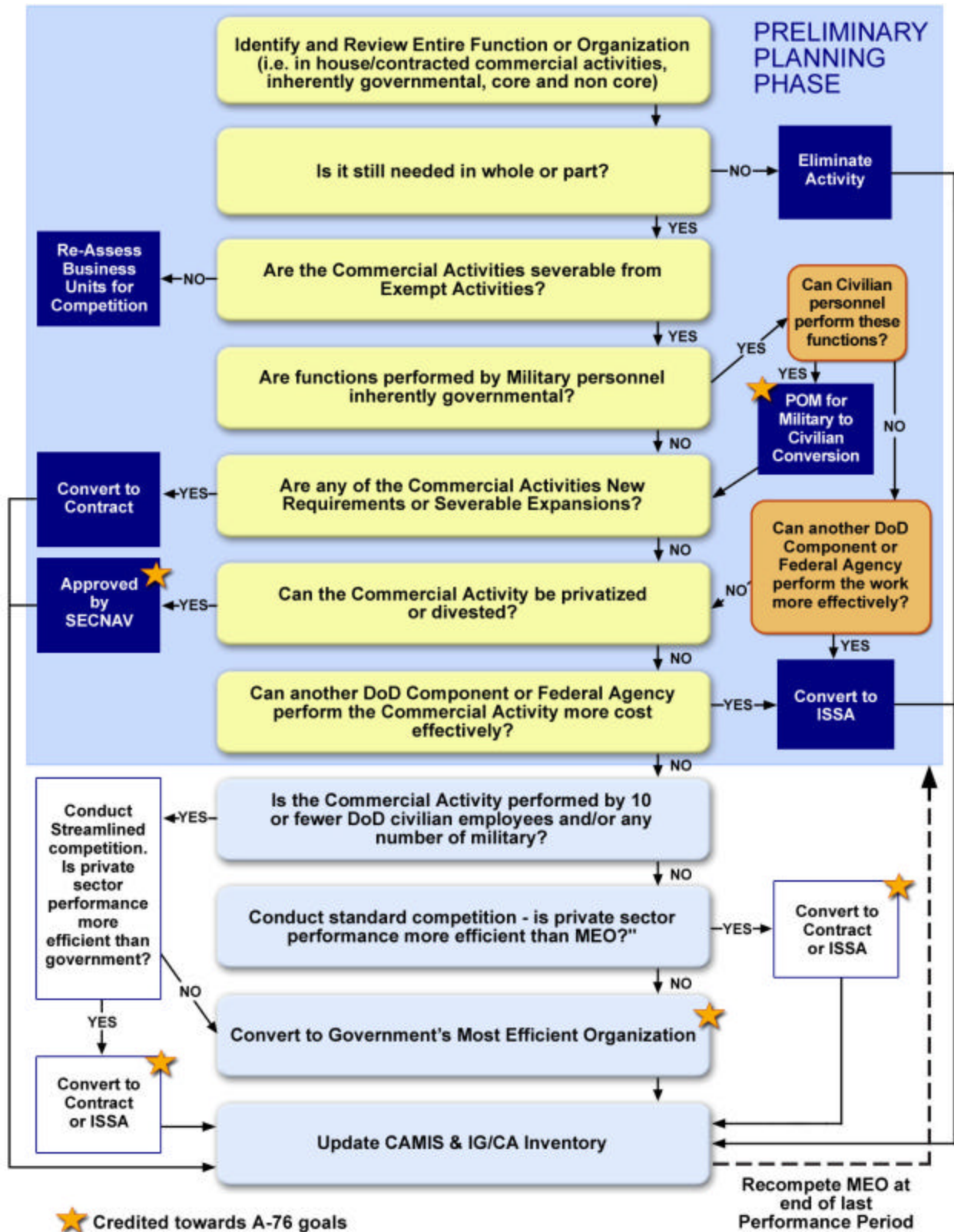
The Office of Management and Budget Circular A-76, governing the Performance of Commercial Activities, directs agencies to complete the preliminary planning process prior to the public announcement of a streamlined or standard competition.

The Navy will continue to employ the competitive sourcing process as prescribed by the OMB Circular A-76 as a workforce shaping tool to acquire commercial functions at the maximum value, align military functions to war-fighting capabilities, and achieve operational savings for the fleet.

In an effort to achieve maximum efficiencies and savings, the Navy has developed this guide as a first step to optimizing the Strategic Sourcing process (see chart, page 4). Budget Submitting Offices (BSO) and activities should use this guide to direct the preliminary planning process. Many of the items described within may be done in parallel.

The preliminary planning process has been designed to coordinate the management of initial competitive sourcing decisions, and as outlined in this guide, should be utilized to identify areas for successful competition of commercial activities within the Navy.

STRATEGIC SOURCING PROCESS CHART





Overview of Preliminary Planning Process

Preliminary planning is required for all A-76 competitive sourcing initiatives and must be accomplished prior to the public announcement of any competitive sourcing initiative. To assist in achieving this requirement, the Navy has organized this guide into five major steps.

In order to develop a Preliminary Plan, the preliminary planning team, project scope and business unit definitions must be determined. Once these determinations have been made, market research should be conducted to determine market availability, workload availability, and baseline costs. It is estimated that the preliminary planning process will require approximately nine months. In order to meet this nine month timeline, it is essential that management and resources are provided to support and complete the required milestones. Appendix (A) depicts a timeline for the overall preliminary planning process.

The following should be determined during the Preliminary Planning Period and prior to the Public Announcement (Competition Start Date).

- Grouping, scope, and functions
- Baseline Costs
- Identification of Workload data and systems
- Identification of key performance indicators
- Type of Competition and Time limits
- POA & M with periods of performance
- Identification of competition officials
- Development of a communication plan
- Government Furnished Property/Equipment determination
- Preliminary Market Research
- Organizational Conflicts of Interest & Firewall Plan
- Inform incumbent service providers of the date of Public Announcement
- Submit required reports in DOSSI



Establishing Preliminary Planning Team

The preliminary planning process begins with the Commanding Officer, or his designate, establishing, chartering and empowering a preliminary planning team. Team roles and responsibilities must be determined and an action plan and preliminary planning schedule developed.

A preliminary planning team should be comprised of those ultimately responsible for the success of the plan, such as the Commanding Officer and senior management, a preliminary planning team leader, core business area leaders from those areas that will potentially be involved in the competition, functional experts, project managers and representatives from the following areas: manpower, contracting, financial management, and public affairs. The team leader should have strong analytical skills, be unbiased, and have enough seniority and stature to act independently with full management support.

Communication involving the preliminary planning process and potential outcomes must include direct involvement by the Commanding Officer, BSO support, and public affairs.

Once designated, the preliminary planning team must:

1. Identify the initial project scope and define the project's mission. Mission scope is assessed by identifying customers and the products or services provided relating to a core business area.
2. Define the business unit structure and how workload requirements should be collected for the unit.
3. Evaluate each function and sub-function performed within each of the project's core business areas.
4. Identify the elements of the organization conducive to competition.
5. Identify associated groups that interact and support the core function and establish the boundaries of the function or business unit under study. These boundaries are crucial to

the installation's ability to perform the commercial work regardless of the selected service provider in the event of a competition.

6. Identify contract support requirements, both within the function and for the collection of data, and development of documents for competition.

Identifying Team Roles and Responsibilities

The preliminary planning team is organized by the Commanding Officer or team leader. The individual responsible for assembling the preliminary planning team must identify roles for each member. Preliminary planning team members must include the following individuals, but may include additional members:

- Functional Representative
- Subject Matter Expert (SME)
- Contract Specialist
- Human Resource Advisors (HRA)
- Financial Officer or Comptroller
- Public Affairs Officer (PAO)
- Customer
- Legal Counsel

Once team members have been identified and notified, they should begin the following: outline roles and responsibilities for each member (note any firewall issues that may arise), assign responsibilities to each team member, identify key tasks and establish timeline for completion, and create checklists to help ensure individual tasks are accomplished.

If preliminary planning results in an A-76 competition, there are a few team members that will require special attention. The preliminary planning team may encounter challenges when trying to fill the Human Resources Advisor and Legal Counsel positions due to firewalls. BSOs should request a designated HRA to support the Agency Tender Official. Firewall restrictions may create difficulties with acquiring legal support, as well, due to the relationship between the ACOE and the preliminary planning teams. It is the BSO's responsibility to find adequate and designated legal support for the ATO/MEO in the competition.

Preparing Preliminary Planning Schedule and Action Plan

A preliminary planning schedule and action plan must be developed. The schedule should include all major milestones from each section and subsection of this guide.

The purpose of the action plan is to identify the requirements of each task to be conducted, provide a time estimate to complete each task, identify necessary resource requirements, identify any training that may be required to help complete the tasks, and develop a communication plan

to be used throughout preliminary planning. The schedule and action plan should be developed as a group effort by the preliminary planning team and should include the following elements:

- Team Members
 - Task Assignments
 - Team charter
 - Alternative personnel
- Schedule
- Milestones
- Budget
- Communication Plan
- Resource Requirements

As information, timelines and tasks are developed, senior management of the organization needs to be actively involved with the development and completion of each element.

Courtesy Congressional Notification

It is Navy policy to provide Congress with a courtesy notification of preliminary planning actions. To facilitate this courtesy notification, a Preliminary Planning Report must be submitted in the Navy's Database of Strategic Sourcing Initiatives <http://DOSSI.navy.mil> (DOSSI). Information entered in a Preliminary Planning Report includes:

- Title for the effort
- Planning period start/end dates
- UICs
- Functions considered for competition (function code with city, state, and congressional district for each location)
- Estimated FTE (civilian, military, and NAF) for each function code
- Point of contact for the preliminary planning effort, including commercial phone number and email address

This report will be approved by DCNO (N1) prior to the courtesy congressional notification. DCNO (N1) will notify the BSOs, installations, and the CSACOE once the courtesy notification has been delivered to interested members of Congress.

The Preliminary Planning start date is the date funds are obligated for contractor support of the effort. This date is recorded in DOSSI. The Preliminary Planning end date is the date the competition effort resulting from Preliminary Planning is publicly announced in FedBizOpps, in accordance with the Circular. In the event that preliminary planning results in more than one competition, the end date will be the date the first competition is publicly announced.



Identifying Initial Project Scope

The initial project scope identifies and defines prospective functional units for competition.

The project scope must be as broad as possible to achieve maximum benefit from a competitive sourcing effort and to better identify areas that will maximize savings and improved operations through competition.

Historically, the benefits of competing larger business units include:

- Economies of scale and opportunities for larger savings in the function and its associated overhead in the most efficient organization.
- Efficiencies in contract administration if the selected service provider is a contractor.

The project scope should encompass all in-house and contract resources for the activity under review. It should include a complete review of all in-house manpower resources and requirements, as well as current service contracts performing or supporting the activity.

The initial project scoping is primarily based upon the full time equivalents (FTE) found in the Installation's Organization Listing and existing Most Efficient Organizations (MEO).

The project scope may be continually refined throughout the preliminary planning process. The modification of the initial project scope will allow the preliminary planning team to establish a firm baseline cost to complete the preliminary planning process and determine the most effective competitive sourcing strategy. The following reviews should be conducted when refining the possible scope of competition:

Initial Requirements Review

Initial requirements are determined by reviewing mission statements, initial identified boundaries, reviewing manpower, identifying internal/external resources, and reviewing strategic plans.

Manpower Review

Manpower review ensures that all proposed positions for a competitive sourcing initiative are coded properly. Since the manpower included in preliminary planning is based on a snapshot in time, the Navy will base this review on the inventory most recently submitted to the Department of Defense. BSOs will update their inventory each fiscal year, based on Navy coding templates, to make certain that functions are being grouped for competition in a proper manner.

Interservice Support Agreement (ISSA) Review

Review ISSAs that may be supported or that are currently providing support to the activity(s) under consideration for competitive sourcing. Attempt to obtain copies of ISSAs that have a significant impact on the activity as it is being performed today. Make certain that everyone understands that the ISSA workload may be significant and require attention later in the preliminary planning process.

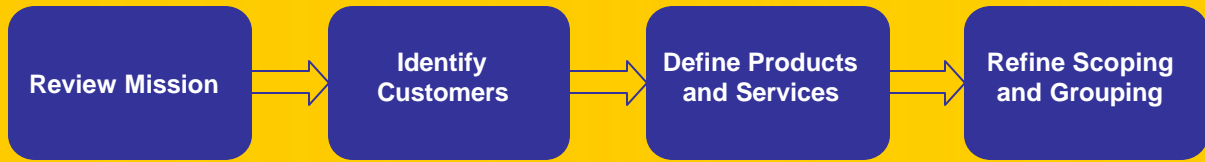
Current Contracts Review

The preliminary planning team must determine what, if any, effect a competition may have on current contracts that are in place for the performance of certain functions and activities to be included in a preliminary planning initiative. Current contracts may include: cost, government furnished equipment/property, performance periods, etc. Team members are accountable for including the current workload performed by contract in the scope of the prospective competition.

Customer Review

Preliminary planning team must research and document customer standards, expectations and performance requirements. Preliminary planning team needs to make sure these items are included in the scope of the prospective competitive sourcing initiatives.

3.0 Business Unit Review



Functional Familiarization

In order to determine the requirements for the functions included in the initial project scope, the following sources should be reviewed:

- Organization Charts
- Mission
- Mission Function Tasking Instruction
- Organization Listings
- Directives and Policies
- Existing Work Statements
- Organizational Budget or Cost Center Data
- Document/Update any information that does not accurately reflect the existing business unit for each area.

Mission Statement

The mission statement provides a framework for determining what is required of the organization. The preliminary planning team should define and review the mission statement and organizational structure description. The mission statement needs to define the function's objective, purpose, and description. The mission statement should be general enough to cover all the requirements of the entire function, but specific enough to identify where the function's responsibilities begin and end.

Customer/Service/Product Identification

The first step in assessing a function is to determine the reason the function exists. Next, the planning team should identify the function's customers (both internal and external), products and services. These designations become the basis for writing requirements, developing standards, capturing workload data, defining performance indicators, and identifying performance

requirements. Finally, the preliminary planning team should determine the quantity of the product or service required.

The product or service definition and requirements can be established by meeting with the managers, employees, and recipients of the product or service. During the meeting(s), the preliminary planning team should:

- Establish and list the products and services currently provided
- Define the unit of measurement (i.e. per square foot, per hour, etc.) that is used to determine volume of the product or service (contacting local commercial suppliers to determine how they price or measure can be beneficial)
- Determine which records (i.e. automated reports, work order files, logs, etc.) will provide data on the volume of work required per year
- Assign lead and completion time responsibilities to the appropriate person(s).

All data should be summarized as either product or service.

Review of the Business Unit

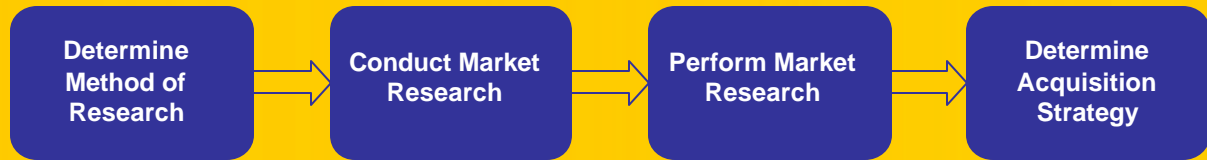
The business units must be described to create the most appropriate grouping of functions for competition while seeking to improve service to customers and generate greater operating efficiencies. This process will provide commanders with a basic economic business model of the installation. After this review, commanders will be able to identify where the installation's resources are being applied and what adjustments can be made with corresponding risks identified.

Defining the business units will help the preliminary planning team identify the business unit structure at an installation, collect workload data, and obtain all costs related to each unit.

Refining Project Scope and Grouping

To refine the project scope and grouping for potential competition, the Preliminary Planning team should compare Customer/Service/Product identification with the mission statement and organizational structure to identify any discrepancies. The preliminary planning team should redefine initial scope as necessary.

4.0 Market Research & Review



Local market research must be conducted to determine availability in the market for the services identified for competition. This step enables the preliminary planning team to re-evaluate the business units and determine how to appropriately group the functions for successful competitions.

Preliminary Market Research Overview

The purpose of the preliminary market research is to determine:

1. Market availability
2. Proper business unit groupings
3. Detailed description of the functions within the business units
4. Means and methods of measuring performance

There are two suggested methods of research that may be utilized during this process:

1. Conduct discussion(s) with potential offerors and industry experts
2. Conduct literature and Internet searches

Conducting a market review of current or recently expired contracts or Interservice Support Agreements (ISSA) in the local area will provide insight into the type of services available commercially. It is best to review at least three, but no more than four suppliers in the interest of completing these surveys within the preliminary planning time limit. Two types of market reviews can be performed:

1. Collect existing or recently expired contracts or ISSAs
2. Interview local area suppliers

The preliminary planning team should review existing contracts that provide the same or comparable products or services, evaluate existing Navy, DOD, or other agency contracts, and consider evaluating contracts issued by State, City, and County governments.

The Contracting Officer should assist with gathering this information. When reviewing contracts and ISSAs:

- Determine if the pricing is consistent with or can be converted to workload units defined in Section 3.0 Business Unit Review.
- Use a mileage radius that is within a reasonable business commuting distance so pricing information is representative of the area.

In the unlikely event that existing or expired contracts or ISSAs are not available, document all sources investigated and with the Competitive Sourcing Acquisition Center of Excellence (CSACOE) and/or functional personnel, identify potential commercial suppliers or other ISSA suppliers. The CSACOE may issue an “Inquiry As to the Availability of Offerors” in the Commerce Business Daily (CBD) if sources of potential suppliers are not readily apparent.

Interview Local Area Suppliers

The planning team should prepare lists of tasks, deliverables, standards and quality levels prior to conducting an interview with local area suppliers.

Suggested questions during the interview process:

- How is the product or service typically priced (i.e. per square feet, per page, per pound, per hour, etc.)?
- Do you have a standard rate? If so, is it negotiable?
- How long have you been in business?
- What are the levels of standards for this type of service?

Preliminary Labor Market Research

The local Human Resource Office (HRO) is responsible for conducting preliminary labor market research. The purpose of the research is to determine the availability of civilian workers in the labor market that contain the skills necessary to perform the specified tasks. The preliminary planning team and HRO are responsible for scoping the labor market for the following reasons:

- Replacement of military or civilian workers (retiring or VSIP/VERA individuals) if the functions are suitable for a competition.
- Determine the capability of placing possibly impacted civilians within other government positions if the functions are suitable for competition and private industry wins.

Determine an Acquisition Strategy

The CSACOE and preliminary planning team should determine the acquisition strategy best suited to solicit the service/product from offerors based on sources of information on commercial suppliers: the internet, newspapers, or similar initiatives that utilized the same suppliers.

The installation, in conjunction with the ACOE, is responsible for determining the contract type that will be used to conduct the public-private competition(s) resulting from preliminary planning. Performance Based Service Contracts (PBSC) encourages and enables the use of fixed-price contracts and incentives to encourage optimal performance. In determining the type of contract vehicle to use, the team should consider the following:

Fixed-Price

Fixed-price contracts are appropriate for services that can be objectively defined in the solicitation and for which risk of performance is manageable. Acquisitions of this class are ideally suited for performance-based statements of work, measurable performance standards and surveillance plans. The contractor is motivated to find improved methods of performance in order to increase its profits.

Cost-Reimbursement

Cost-reimbursement contracts are appropriate for services that can only be defined in general terms or for which the risk of performance is not reasonably manageable. To the maximum extent practicable, PBSC methods should be used for these contracts. Specific incentive provisions should be included, in addition to an award fee, to insure contractors are rewarded for good performance. Quality assurance deduction schedules are also an incentive to assure satisfactory performance is rewarded.

Time and Material/Labor Hour Contracts

When the use of time and material/labor hour contracts is appropriate, agencies should employ PBSC methods to the maximum extent feasible.

Government Furnished Property/Equipment

Develop overarching principles and processes to determine if government furnished property and equipment will be included or excluded in the resulting competition(s). Actual government furnished property and equipment will be determined when drafting the Performance Work Statement.

Performance Period Timeframes

Performance periods should be written into solicitations in accordance with OSD, ASN (I&E), and Department of Navy guidance. For performance periods proposed to extend beyond general guidance approval, a deviation request must be approved by the Competition Sourcing Official.

Gather Workload Requirements

In order to estimate workload for a business unit, the historical workload by the major performance categories should be delineated. In addition, installations must clearly identify the amount and type of Government Furnished Property & Services that will be available to a

service provider selected as a result of the competition, e.g. equipment, materials, information, software, facilities. The historical workload data gathered may be used in cost estimating, and should be used as the foundation to estimate the future work requirements to be covered in the Performance Work Statement (PWS) of a competition. An estimate of future work requirements and Government Furnished Property & Services must be included to provide a basis for the offerors to provide realistic cost estimates. The basis used to collect this data is an important indicator of not only the function as is, but should take into consideration the natural direction of the work (up or down due to impending technology advancements, i.e. ERP, SPS, etc.).

Workload Sources

Workload data may be available from existing management information systems or other databases or records. Sampling or on-the-job observation may also be used to gather workload data. In the past, agencies have placed a performance requirement in the PWS to maintain accurate workload data. This information can be used to develop the baseline manpower and cost data for future competitions.

Position review involves determining what the agency's needs are, and what kinds of services and outputs are to be provided by the contractor. The services or outputs identified form the basis for establishing performance requirements, developing performance standards and indicators, writing the PWS, and producing the QASP.

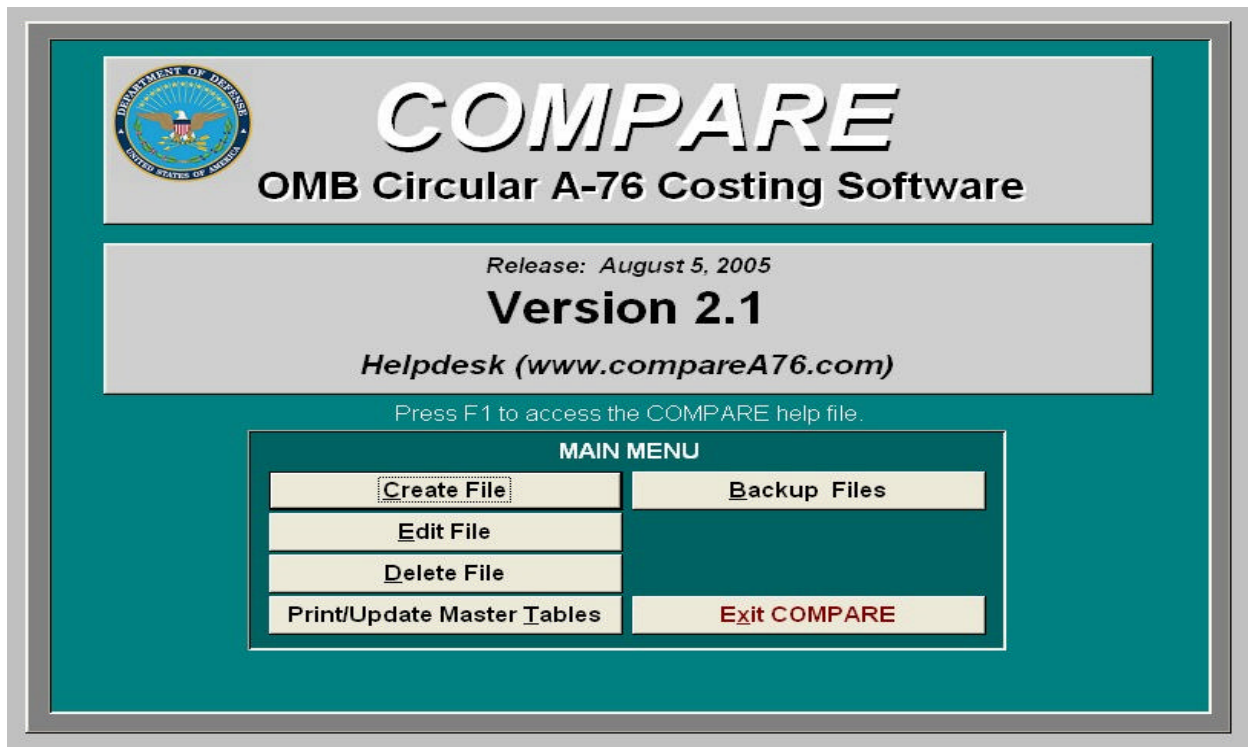
Identify Baseline Costs

Baseline Costs will be computed using the COMPARE software as required by the 2003 OMB Circular A-76. The preliminary planning team will also comply with OSD and OPNAV guidance when calculating baseline costs.

Two separate baseline cost estimates will be required for each competition: 1) Preliminary Planning Baseline Cost estimate and 2) Adjusted Baseline Cost estimate. The Preliminary Planning Baseline Cost estimate must be created during the preliminary planning development stage of a public-private competition, prior to the Public Announcement date. The Adjusted Baseline Cost estimate must be created after Public Announcement, but prior to Competition End Date. The adjusted baseline cost must account for any changes made to the scope of the competition, requirements stated in the solicitation, revised cost factors, COMPARE updates, and false information or data.

The baseline cost is the present cost of running the organization in its current surroundings. Baseline costs include all costs that are associated with providing the requirements for the commercial activities included in the scope of what will become a public-private competition. Collecting available cost data and inputting the data into COMPARE (<http://www.compare76.com>) will create the best estimate for baseline cost.

Below is a screenshot of the main menu that will appear when opening COMPARE version 2.1.



The following data should be collected during the data collection phase of preliminary planning:

Standard and Streamlined Competitions

- Personnel Cost (Line 1) – GS Personnel, FWS Personnel, Military Personnel, NAF Personnel, and Foreign National Personnel
 - Position Title
 - Functional Area
 - Location
 - Grade/Step
 - Economic Price Adjustment (Yes/No)
 - Position Type (Full-time/Part-time, Intermittent, Temporary)
 - Entitlements/Other Pay
 - O/S Allowance
 - FTEs required per Performance Period
- Material and Supply Cost (Line 2)
 - Item Name
 - Functional Area
 - Location
 - Government Furnished Property (Yes/No)
 - Source of Material/Supply
 - Subject to Economic Price Adjustment (Yes/No)
 - Inflation Factors (Operation & Maintenance, Fuels, and Foreign Country Operation & Maintenance)

- Total Unit Cost
- Other Specifically Attributable Cost (Line 3)
 - Capital Equipment and Facilities
 - Minor Items
 - Rental Cost
 - Travel Cost
 - MEO Subcontract Cost
 - Utilities
- Overhead Cost (Line 4)
 - Automatically calculated by COMPARE (12% of Line 1 Personnel Cost)
- Additional In-House Cost (Line 5) – **STANDARD COMPETITIONS ONLY!**
 - Costs that cannot be added in another line (ex. Unusual/special circumstances, medical exams, etc.)
- Total Agency Cost (Line 6)
 - Automatically calculated by COMPARE (Sum of Lines 1 – 5)

Once the data is collected, it should be sorted according to the lines in COMPARE. Before the user creates a COMPARE file, the tables in COMPARE must be updated. The user can perform a global update of by selecting “Web Update” from the menu or may select tables to be updated.

COMPARE Master Tables	
Print/View/Edit Master Tables Press F1 for help.	
<input type="radio"/> 1) Competition Type/Method of Operation	<input type="radio"/> 9) NAF/Foreign Country Unique Factors/Rates
<input checked="" type="radio"/> 2) General Schedule (GS) Pay Schedules	<input type="radio"/> 10) RESERVED FOR FUTURE USE
<input type="radio"/> 3) Federal Wage System (FWS) Pay Schedules	<input type="radio"/> 11) FTE Available Work Hours/Pay Conversion Hours
<input type="radio"/> 4) NAF/Foreign National Hourly Wages/Annual Salaries	<input type="radio"/> 12) Competition Status Codes
<input type="radio"/> 5) Military/Uniformed Services Composite Pay Rates	<input type="radio"/> 13) Useful Life and Disposal Values
<input type="radio"/> 6) Position Type Codes	<input type="radio"/> 14) Tax Rates
<input type="radio"/> 7) Fringe/Medicare Factors	<input type="radio"/> 15) Contract Administration Cost Factors
<input type="radio"/> 8) Cost Factors/Rates	
Disk Update	Web Update Table Dates Print All Continue Back
Preliminary Planning Baseline Costs (PBC)	

Users will need to select “Create File” from the Main Menu in order to prepare the Preliminary Planning Baseline Cost. The following is a screenshot showing users information that will be required when establishing a new COMPARE file.

COMPETITION INFORMATION (FILE SETUP)										
Agency			Component							
Command		Location/Installation								
Competition No.		Competition Title								
Solicitation Closing Date		Solicitation No.		Tender Type Agency Cost						
Competition Status	P									
<div> <div> Does the solicitation designate the 1st Performance Period as a Phase-In Period? Y </div> <div> Competition Type/Method of Operation </div> </div>										
Performance Periods <table border="1"> <thead> <tr> <th>PP</th> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="height: 100px;"></td> </tr> </tbody> </table>		PP	From	To				<div> Agency Type <input type="checkbox"/> DoD <input type="checkbox"/> Non-DoD </div> <div> Cost Data Type <input checked="" type="radio"/> Agency/Public Reimbursable Cost Estimate .a76 <input type="radio"/> Preliminary Planning Baseline Costs (PBC) .p76 <input type="radio"/> Adjusted Baseline Costs (ABC) .b76 </div> <div> File Type Option <input type="radio"/> Template Master <input checked="" type="radio"/> Normal File </div>		
PP	From	To								
<div> <div> Command Location/Installation State </div> <div> Competition No. Competition Title </div> <div> Solicitation Closing Date Solicitation No. Tender Type Agency Cost </div> <div> Competition Status P </div> </div>										

Press F1 for help.

Abort **Continue**

Currently in Use: (Version 2.1)

Once a new record has been created, users will view the following screen.

File Originally Created in: (Version 2.1)		COMPETITION INFORMATION		Currently in Use: (Version 2.1)							
Agency	EDO CORP	Component	UNITED STATES NAVY								
Command	OPNAV N124	Location/Installation	ARLINGTON								
Competition No.	NC20050000	Competition Title	PRACTICE WITH COMPARE								
Solicitation Closing Date		Solicitation No.		Tender Type	Agency Cost						
Competition Status	P In-Progress	Initial Performance Decision		Performance Decision							
<div> <div> Does the solicitation designate the 1st Performance Period as a Phase-In Period? N </div> <div> Competition Type/Method of Operation N Standard (New Requirement) </div> </div>											
Performance Periods <table border="1"> <thead> <tr> <th>PP</th> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10/1/2002</td> <td>9/30/2003</td> </tr> </tbody> </table>		PP	From	To	1	10/1/2002	9/30/2003	<div> Preliminary Planning Baseline Costs (PBC) </div> <div> * No Previous DCAMIS Export </div> <div> <div> Cost Records (PBC) Tables (PBC) Line Rationale (PBC) Print Docs (PBC) </div> <div> Global Update Backup Convert File DCAMIS Data Export </div> <div> Save File Main </div> </div>			
PP	From	To									
1	10/1/2002	9/30/2003									

Press F1 for help.

The user must then select “Tables (PBC)” to create tables specific to the geographic location for the competition.

Lookup REST OF U.S.

Add New Location

Delete Current Location

FILE TABLE 2

General Schedule (GS) Pay Schedules

Grade	Step	Salary	Changed	From	To
GS01	5	\$20,273.00		1/6/2005	1/6/2006
GS02	5	\$22,079.00			
GS03	5	\$24,877.00			
GS04	5	\$27,926.00			
GS05	5	\$31,247.00			
GS06	5	\$34,829.00			
GS07	5	\$38,703.00			
GS08	5	\$42,860.00			
GS09	5	\$47,340.00			
GS10	5	\$52,136.00			
GS11	5	\$57,280.00			
GS12	5	\$62,651.00			
GS13	5	\$68,638.00			
GS14	5	\$96,474.00			
GS15	5	\$113,482.00			

Effective Date
MM/DD/YYYY

Note 1: Enter Effective Date of table salaries as established by the Office of Personnel Management, in the above box if different from dates shown.

Note 2: Must reflect Step 5 salaries unless waived by OMB.

Record: 14 of 15

Save File Master Print Back

Table Version Date: 1/7/2005

After all of the study tables have been created, the user must enter the collected data that has been collected to create a Preliminary Planning Baseline Cost estimate. The data is entered by selected “Cost Records (PBC)” from the menu on the Competition Information screen.

COMPARE Cost Records Menu Press F1 for help.

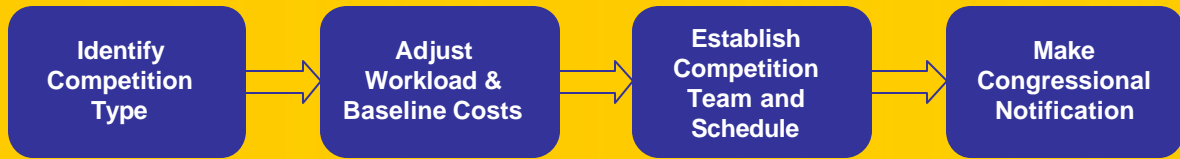
Agency	Private Sector/Public Reimbursable
<input checked="" type="radio"/> 1) Personnel Costs	<input type="radio"/> 7) Private Sector Price or Public Reimbursable Cost Estimate
<input type="radio"/> 2) Material and Supply Costs	<input type="radio"/> 8) Contract Administration Costs
<input type="radio"/> 3) Other Specifically Attributable Costs	<input type="radio"/> 9) Additional Costs
<input type="radio"/> 4) Overhead Costs	<input type="radio"/> 10) One-Time Conversion Costs
<input type="radio"/> 5) Additional Costs	<input type="radio"/> 11) Gain from Disposal or Transfer of Assets
<input type="radio"/> 6) Total Cost of Agency Performance	<input type="radio"/> 12) Federal Income Tax Adjustment
	<input type="radio"/> 13) Total Adjusted Cost of Private Sector or Public Reimbursable Performance

BCR Signatures Line Rationale Tables Continue Back

Preliminary Planning Baseline Costs (PBC)

Once data has been submitted for Lines 1 – 6, the user will select “BCR” to view the Baseline Cost Record. When the user reaches this step, they have then successfully computed the baseline cost of the potential competition.

5.0 Preliminary Planning Decision



The following are a result of the preliminary planning process and must be completed prior to the public announcement of a competition according to OMB Circular A-76:

Identify Competition Type

Based on data gathered throughout the preliminary planning process, the business units identified must be grouped for successful competition. The unit should be identified as a competitive initiative type - Standard or Streamlined.

Business units that include 65 or fewer civilian FTE and any number of military, and may be competed in less than 90-135 days should be designated for streamlined competition. A standard competition should be performed for business units that include ten or more civilian FTE and/or more complex tasks, functions, and requirements.

Business units that include more than 65 FTE, and/or include more complex tasks, functions, and requirements must be designated for standard competition. A standard competition must be completed in 12 months, unless granted a competition time extension by the OMB Circular A-76 Competitive Sourcing Official (CSO). The time extension allows an additional 6 months to complete the competition. The preliminary planning team should strive to group business units for competition to complete the competition within the standard allowed time frames.

Data gathered throughout the preliminary planning process, pertaining to the competition, must remain on file for the duration of the competition. The information must be saved for an additional ten years after the performance decision of competition is announced via *FedBizOpps.gov*.

Workload and Baseline Costs Adjustments

COMPARE must be used to make any necessary adjustments in order to obtain baseline costs for each business unit to be competed, based on workload changes identified. Once a competition record is created in DOSSI, each identified business unit must attach an electronic copy of the

Baseline Cost Report (a COMPARE file). Adjusted baseline costs will be calculated prior to the competition's end date, calculated in COMPARE, and attached to the competition's record in DOSSI.

Establish Competition Team

Based on the preliminary planning decision, individuals need to be assigned specific roles and responsibilities to perform throughout the duration of the competition. Competition officials must be appointed and notified in writing, by the CSO, for standard competitions.

Develop Competition Plan of Action/Schedule

A Plan of Action & Milestones (POA&M) outlining timetables for competition schedules must be developed.

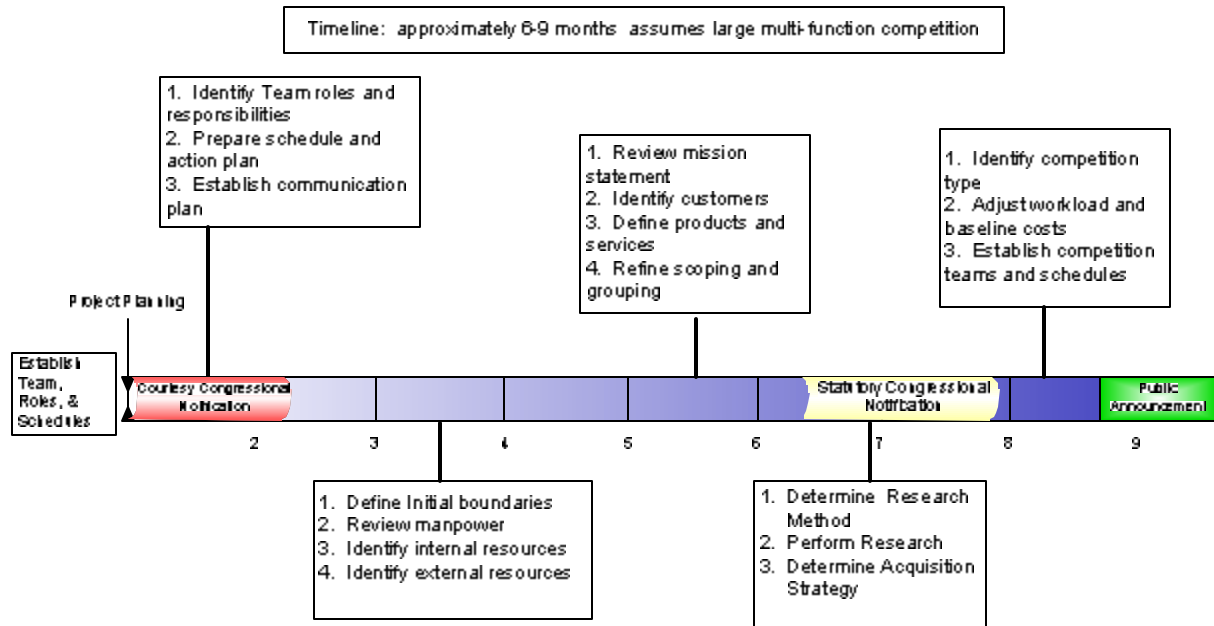
Baseline costs, competition officials, and competition schedule must be reported in DOSSI for each competition identified during the Preliminary Planning process.

Congressional Notification

10 U.S. Code (U.S.C.) 2461 requires congressional notification prior to commencing analysis on commercial or industrial type functions of more than 50 DoD civilian employees.

BSOs will complete the "announcement module" in DOSSI for each business unit grouped for competition regardless of the number of DoD civilian employees included for competition. The module, including selected functions and positions, will be approved by DCNO (N1) prior to Congressional Announcement. DCNO (N1) will notify the BSOs, installations, and the CSACOE once the Congressional Announcement(s) have been made.

Appendix A -Preliminary Planning Process Timeline



Appendix B – Acronyms

ACOE – Acquisition Center of Excellence
AMD – Activity Manning Documents
AMP – Acquisition Management Plan
AT – Agency Tender
ATO – Agency Tender Official
BSO – Budget Submitting Office
DOSSI – Database of Strategic Sourcing Initiatives
CBD – Commerce Business Daily
CNO – Chief of Naval Operations
CNO (N1) – Chief of Naval Operations, Manpower & Personnel
CO – Contracting Officer
CSACOE – Competitive Sourcing Acquisition Center of Excellence
CSO – Competitive Sourcing Official
DCNO – Deputy Chief of Naval Operations
DCPDS – Defense Civilian Personnel Data System
DoD – Department of Defense
FAR – Federal Acquisition Regulation
FTE – Full Time Equivalent
GFP – Government Furnished Property
GSA – General Services Administration
HCA – Head of Contracting Activity
HRA – Human Resources Advisor
ISSA – Interservice Support Agreement
MEO – Most Efficient Organization
OGC – Office of General Counsel
OMB – Office of Management & Budget
OPNAVINST – Office of Chief of Naval Operations Instruction
PBSC – Performance Based Service Contracts
PCO – Procurement Contracting Officer
POA&M – Plan of Actions & Milestones
PWS – Performance Work Statement
QASP – Quality Assurance Surveillance Plan
RAM – Responsibility Assignment Matrix
SOW – Statement of Work
SSA – Source Selection Authority
SSEB – Source Selection Evaluation Board
UIC – Unique Identification Code

Appendix C – Definitions

Acquisition Center of Excellence (ACOE) – Responsible for providing the acquisition functions associated with prospective standard or streamlined competition.

Acquisition Management Plan (AMP) – Addresses the technical, business, management, and other significant considerations that will control all acquisitions.

Agency Tender (AT) – The agency management plan submitted in response to a solicitation for a standard competition. The agency tender includes an MEO, agency cost estimate, MEO quality control plan, MEO phase-in plan, and copies of any MEO subcontracts (with the private sector providers' proprietary information redacted). The agency tender is prepared in accordance with Attachment B of OMB Circular A-76 (29 May 2003) and the solicitation requirements.

Agency Tender Official (ATO) – An inherently governmental agency official with decision-making authority who is responsible for the agency tender and represents the agency tender during source selection.

Commerce Business Daily (CBD) – Publication of the Department of Commerce in which the government publicizes a potential buy (a “synopsis”) to notify interested vendors.

COMPARE – The windows-based A-76 costing software that incorporates the costing procedures of OMB Circular A-76. Agencies must use COMPARE to calculate and document the costs on the SCF for a standard competition or the SLCF for a streamlined competition.

Competitive Sourcing Official (CSO) – An inherently governmental agency official responsible for the implementation of the Circular within an agency.

Contracting Officer (CO) – An inherently governmental agency official who participates on the PWS team, and is responsible for the issuance of the solicitation and the source selection evaluation methodology. The CO awards the contract and issues the MEO letter of obligation or fee-for-service agreement resulting from a streamlined or standard competition. The CO and the SSA may be the same individual.

Database of Strategic Sourcing Initiatives (DOSSI) – DOSSI is the Navy's management information system used to collect data pertaining to preliminary planning, standard and streamlined competitions, functionality assessments, and military-to-civilian conversions.

Federal Acquisition Regulation (FAR) – The regulation for use by federal executive agencies for acquisition of supplies and services with appropriated funds. The FAR is supplemented by the Military Departments and by the DoD. The DoD supplement is called DFARS (Defense Federal Acquisition Regulation Supplement).

Full-Time Equivalent (FTE) – The staffing of Federal civilian employee positions, expressed in terms of annual productive work hours (1,776) rather than annual available hours that includes non-productive hours (2,080) hours. FTEs may reflect civilian positions that are not necessarily

staffed at the time public announcement and staffing of FTE positions may fluctuate during a streamlined or standard competition. The staffing and threshold FTE requirements stated in OMB Circular A-76 reflect the workload performed by these FTE positions, not the workload performed by actual government personnel. FTEs do not include military personnel, uniformed services, or contract support.

Government Furnished Property (GFP) – Facilities, equipment, material, supplies, or other services provided by the government for use by all prospective providers in the solicitation. Costs for GFP included in a solicitation are considered common costs. Replacement costs, insurance, maintenance and repair costs for GFP may or may not be government-furnished, depending on the provisions in the solicitation.

Head of Contracting Activity (HCA) – Agency head authorized to contract for supplies and services. May be delegated to major command heads within an agency. Title is by virtue of position.

Human Resources Advisor (HRA) – An inherently governmental agency official who is a human resource expert and is responsible for performing human resource-related actions to assist the ATO in developing the agency tender.

Interservice Support Agreement (ISSA) – An agreement between federal agencies. For purposes of this guide, DoD is defined as an agency (individual DoD components and Services are considered one agency) **OR** An agreement when the provider is another agency of the Government. The commercial activity is provided on a reimbursable basis.

Labor Market Research – Assessment of the availability or capability to recruit (including recruiting costs) personnel in the local labor market to determine if there is an appropriate workforce pool.

Most Efficient Organization (MEO) – The staffing plan of the agency tender, developed to represent the agency's most efficient and cost-effective organization. An MEO is required for a standard competition and may include a mix of government personnel and MEO subcontracts.

Performance Standards – Verifiable, measurable levels of service in terms of quantity, quality, timeliness, location, and work units. Performance standards are used in a performance-based PWS to (1) assess (i.e. inspect and accept) the work during a period of performance; (2) provide a common output related basis for preparing private sector offers and public tenders; and (3) compare the offers and tenders to the PWS. The requiring activity's acceptable levels of service are normally stated in the PWS. The solicitation includes performance standards.

Performance Work Statement (PWS) – A statement in the solicitation that identifies the technical, functional, and performance characteristics of the agency's requirements. The PWS is performance-based and describes the agency's needs (the "what"), not specific methods for meeting those needs (the "how"). The PWS identifies essential outcomes to be achieved, specifies the agency's required performance standards, and specifies the location, units, quality and timeliness of the work.

Preliminary Planning – The process of determining whether competitive sourcing (standard or streamlined competition) is the optimal methodology for sourcing an organization by ensuring factors that impact competitive sourcing (i.e., wartime requirements, workforce availability, commercial viability, career-field sustainability, workload documentation, etc) are reviewed prior to initiating the competition.

Public Announcement – An agency's formal declaration that the agency has made a (1) decision to perform a standard or streamlined competition, or (2) performance decision in a standard or streamlined competition. The CO makes the announcements via *FedBizOpps.gov*.

Quality Assurance Surveillance Plan (QASP) – The government's inspection plan. The quality assurance surveillance plan documents methods used to measure performance of the service provider against the requirements in the PWS. The agency relies on the service provider to monitor daily performance using their own quality control plan, but retains the right to inspect all services. When the agency makes a performance decision, the agency re-evaluates and modifies the existing quality assurance surveillance plan, based upon the selected provider and the selected provider's accepted quality control plan.

Source Selection Authority (SSA) – A competition official with decision-making authority who is responsible for source selection as required by the FAR and OMB Circular A-76. The SSA and CO may be the same individual.

Source Selection Evaluation Board (SSEB) – A group of military and/or government civilian personnel, represents functional and technical disciplines. The board is charged with evaluating proposals and developing summary facts and findings during source selection.

Statement of Work (SOW) – The portion of a contract which establishes and defines all nonspecification requirements for contractors efforts either directly or with the use of specific cited documents.

Unique Identification Code (UIC) – A five digit alpha-numeric code assigned to each activity in the Navy and Marine Corps to provide a specific identifier.